

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

HOUSTON POLICE OFFICERS'
PENSION SYSTEM

V.

STATE STREET BANK & TRUST
COMPANY and STATE STREET
GLOBAL ADVISORS, INC.

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MDL No. 1945

Civil Action No. 08-05442-RJH

Declaration of Lawrence P. Weiner

I, Lawrence P. Weiner, do hereby declare:

1. I have over 23 years of experience in the financial markets as a fixed-income securities specialist, consultant, and strategist. I earned a B.A. in History from Brown University, where I graduated Magna Cum Laude and was elected to Phi Beta Kappa, and a Master's degree from Carnegie-Mellon University's Tepper Graduate School of Business, where my emphasis was on quantitative finance and economics.

2. In the 1980s, I held several positions in the mortgage-backed securities department of Morgan Stanley & Co., Inc., which included two years in the firm's Tokyo office, where I worked with financial institutions in Japan, Hong Kong, and Singapore. In the firm's San Francisco office, I was part of the Structured Finance team, where I gained hands-on expertise in the intricacies of asset securitization.

3. As a Vice President and fixed income securities strategist with Lehman Brothers in the 1990s, I assisted institutional money managers in the analysis, hedging, and management of complex fixed income securities. My experience covered a wide range of structured financial products, including Collateralized Mortgage Obligations (CMOs), asset-backed securities (ABS), Collateralized Debt Obligations (CDOs, CLOs, CBOs), and other fixed-income derivative securities. I also became versed in fixed-income portfolio indexing and benchmarking, working extensively with clients who utilized Lehman Brothers bond market indices to structure bond

portfolios.

4. Since 1995, I have been a consultant and testifying expert in fixed income, structured finance, hedge fund, and derivative security matters. During that time, I have focused on complex security structures and valuations, portfolio strategy, suitability, and risk assessment, and I have been engaged as an expert in several high-profile fixed-income litigation matters, including those concerning the Askin Capital hedge fund, Orange County bankruptcy, and Piper Jaffray mutual funds. I also was retained as an expert by the SEC in its enforcement action against the managers of the Beacon Hill mortgage-backed securities hedge fund, and by the Department of Justice in its prosecution of the managers of the failed Bear Stearns leveraged mortgage-backed securities hedge funds.

5. In other engagements, I have provided analysis and testimony regarding the suitability and pricing of complex structured finance securities and of sub-prime mortgage instruments, including residual securities.

6. In addition to engagements in which I serve as an expert witness, I have also undertaken industry consulting engagements not related to litigation. From March 2007 until April 2008, I was engaged by the Commercial Real Estate Finance group at Countrywide Capital Markets to assist in the development of a system for the surveillance and competitive analysis of outstanding commercial mortgage backed security (CMBS) securitizations. Throughout this time, I spent alternating weeks on the trading floor at Countrywide Capital Markets' headquarters in Calabassas, California, working with traders, risk managers, structuring specialists, and systems developers.

7. Based on my education and experience, I have particular expertise in the following areas: (a) the analysis, pricing, and hedging of complex financial instruments, particularly CMOs, CDOs, and other asset-backed securities and derivative instruments; (b) the creation and marketing of private label residential mortgage-backed securities and other asset-backed securities; (c) portfolio management and index performance benchmarking techniques; and (d) conduit-based commercial real estate loan origination and commercial real estate securitizations.

8. After being retained as an expert in this matter, I reviewed and analyzed fact witness depositions and exhibits, deposition testimony and exhibits from an SEC investigation, as well as documents produced by State Street and HPOPS. In addition, I reviewed secondary sources, worksheets, and other analytical materials. A true and correct list of materials I reviewed is attached to this declaration as Exhibit 1. In addition, I reviewed the affirmative reports prepared for State Street by Andrew Carron and Sarin Sorescu, as well as certain additional sources cited in the footnotes and text of my March 19, 2010 Rebuttal Report.

9. Based on my review and analysis of these materials, and in light of my education and experience, I reached the affirmative and rebuttal opinions that were disclosed in my January 15, 2010 Expert Report and March 19, 2010 Rebuttal Report.

I declare under penalty of perjury that the foregoing is true and correct.


Lawrence Weiner

Executed June 29, 2010 in Portland, Oregon

Exhibit 1

Materials Relied Upon in Preparation of Report

I. Deposition Testimony and Exhibits from Civil Litigation

Stacey Ables Galo (9/15/2009)
Ed Armstrong (8/20/2009)
Patrick Armstrong (5/5/2009 – 5/7/2009)
Carroll Aulbraugh (3/10/2009 & 3/11/2009) - no exhibits
Marc Brown (10/29/2009)
Lawrence Carlson (8/14/2009)
Michael Dalis (10/30/2009)
Craig Degiacomo (2/23/2009)
Robert Dempsey (9/10/2009)
James Doss (12/3/2009)
James DuPont (11/3/2009)
John Flannery (7/28/2009 – 7/29/2009)
Beth-Anne Flynn (5/1/2009) – no exhibits
Patrick Franey (3/25/2009 – 3/26/2009; 8/26/2009)
Frank Gianatasio (8/4/2009 & 11/5/2009)
Paul Greff (5/20/2009 – 5/21/2009)
Mary Guy (11/3/2009)
James Hopkins (5/12/2009; 5/13/2009; 11/4/2009)
Steven Hotchkiss (3/26/2009)
William Hunt (9/29/2009)
Shawn Johnson (8/31/2009)
Gerard Kelly (10/30/2009)
Brian Kinney (7/7/2009)
Adele Kohler (7/21/2009)
James Kramer (3/27/2009)
John Lawson (8/25/2009)
Ernest Liebre (9/9/2008) – no exhibits
Peter Lindner (6/25/2009)
Alistair Lowe (9/24/2009)
Ling Luo (10/8/2009)
Nicole Lupo (12/7/2009)
Ralph Marsh (10/15/2009)
Craig Mason (10/15/2009)
Nicholas Mavro (7/21/2009)
Pia McCusker (2/26/2009)
Steven Meier (11/23/2009)
Jack Moore (8/6/2009)
Margaret Nelson (8/11/2009)
Minh Pham (10/15/2009)
Michael O'Hara (7/14/2009 – 7/15/2009)
Robert Pickett (6/1/2009-6/2/2009; 8/12/2009)
Staci Reardon (8/13/2009)

Susan Reigel (3/31/2009 & 11/18/2009)
Arlene Roberts (11/19/2009)
Eric Roberts (3/12/2009)
Elizabeth Shea (9/29/2009)
Barbara Shegog (6/4/2009)
Daniel Stachel (10/13/2009)
Matthew Steinaway (4/29/2009)
Otello Sturino (11/09/2009)
Yvonne Tai (6/18/2009)
Andrew Tenzear (9/17/2009)
Vincent Thornton (7/22/2009)
James Thorsen (6/11/2009)
John Tucker (3/11/2009)
Michael Wands (3/3/2009 -- 3/4/2009; 8/3/2009; 10/26/2009)
Donna Watkins (6/16/2009)
Jerry Woodham (10/21/2009)

II. Deposition Testimony and Exhibits from SEC Investigation

James Hopkins SEC Testimony and Exhibits
Patrick Armstrong SEC Testimony

III. Documents Produced by Defendants State Street Bank & Trust and SSgA:

SS 007865925-7865928
SS 002150414-2150540
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SS 010822131-10822136
SS 012459093-12459104
SS 012498585
SSE 000003823-4276
SSE 000045462-183288
SSE 000410913-412782

IV. Documents Produced by Plaintiff Houston Police Officers' Pension System:

HPOPS001470-1476
HPOPS000673-674
HPOPS005301-5303
HPOPS002409-2414
HPOPS000285-287
HPOPS001429-1430
HPOPS001480-1482
HPOPS002102-2103
HPOPS002116-2124
HPOPS015576-15577
HPOPS016710
HPOPS024247

V. Articles and Other Secondary Sources

1. "Federal Reserve is Monitoring Housing Prices, Official Says", The New York Times, January 13, 2005
2. "Credit Risk Management Guidance for Home Equity Lending", Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, FDIC, Office of Thrift Supervision, National Credit Union Administration, May 16, 2005
3. "Greenspan Is Concerned About 'Froth' in Housing", The New York Times, May 21, 2005
4. "Federal Financial Agencies Proposed Guidance on Nontraditional Mortgage Products", Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, FDIC, Office of Thrift Supervision, National Credit Union Administration, December 20, 2005
5. "Bankers Report More Mortgages Being Paid Late or Not at All", The New York Times, December 14, 2006
6. "Study Predicts Foreclosure for 1 in 5 Subprime Loans", The New York Times, December 20, 2006
7. "Losing Ground: Foreclosures in the Subprime Market and Their Cost to Homeowners", Center for Responsible Lending, December 2006
8. "Tremors at the Door", The New York Times, January 26, 2007

9. "HSBC Reports Rise in Troubled Loans", The New York Times, February 8, 2007
10. "Standard and Poor's: Subprime RMBS Downgrades Surge in 2006", www.housingwire.com, February 13, 2007
11. "Will Other Mortgage Dominoes Fall?", The New York Times, February 18, 2007
12. "Freddie Mac Tightens Standards", The New York Times, February 28, 2007
13. "The Risk in Subprime", www.cnnmoney.com, March 1, 2007
14. "Markets Sag as Mortgage Anxiety Spreads", The New York Times, March 14, 2007
15. "The dangers of investing in subprime debt", www.cnnmoney.com, March 19, 2007
16. "Subprime Mortgage Bonds from 2006 May Be Worst Ever (Update1)", Bloomberg.com, March 28, 2007
17. "Realtors Expect Home Prices to Show First Annual Decline", The New York Times, April 12, 2007
18. "Subprime 'Liar Loans' Fuel Bust With \$1 Billion Fraud (Update1)", April 23, 2007
19. "Sub-prime Surprise...Not!", Nomura Securities Fixed Income Research, April 18, 2007

Lehman Brothers "U.S. Aggregate Index" Fact Sheet, April 2008.

¹ Lehman Brothers "U.S. Floating-Rate Asset-Backed Securities Index" Fact Sheet, April 2008

20. ¹ Barclays Capital "U.S. Fixed-Rate Asset-Backed Securities Index" Fact Sheet, December 31, 2008

VI Official Holdings Worksheets

SSgA-CIV000459114
SSgA-CIV000459156
SSgA-CIV000459245
SSgA-CIV000459307
SSgA-CIV000459377
SSgA-CIV000459399
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VII. Absolute Return Analytics

SS2146217
SS1215937
SS587877